

AO 91 (Rev. 11/11) Criminal Complaint

UNITED STATES DISTRICT COURT

for the

Central District of California

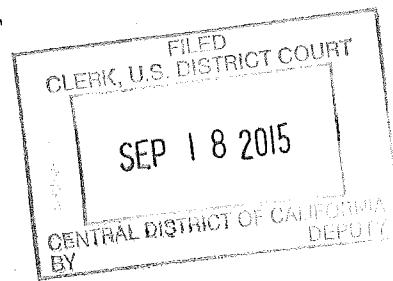
United States of America)

v.)

Artashes Darbinyan, aka "Iurii Berlach")

Case No.)

Defendant(s)



M 15 01736

CRIMINAL COMPLAINT

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of February 2015 to June 2015 in the county of Los Angeles in the
Central District of California, the defendant(s) violated:

Code Section

Offense Description

18 U.S.C. § 1028A

Aggravated Identity Theft

18 U.S.C. § 1341

Mail Fraud

This criminal complaint is based on these facts:

See attached affidavit, which is incorporated as part of this Criminal Complaint.

☒ Continued on the attached sheet.

Complainant's signature

Mark Trachtenberg, U.S. Postal Inspector

Printed name and title

Sworn to before me and signed in my presence.

Date:

SEP 18 2015

City and state:

Los Angeles, California

JOHN E. McDERMOTT

Judge's signature

JOHN E. McDERMOTT

UNITED STATES MAGISTRATE JUDGE

Printed name and title

AFFIDAVIT

I, Mark Trachtenberg, a Postal Inspector with the United States Postal Inspection Service (USPIS), being first duly sworn, hereby depose and state as follows:

INTRODUCTION

1. I am an investigative or law enforcement officer of the United States authorized to conduct investigations and make arrests.

2. I have been a Postal Inspector with the USPIS since 2008. I have received basic federal law enforcement training. I have investigated many mail fraud schemes.

PURPOSE OF AFFIDAVIT

3. The Affidavit is being submitted in support of a complaint establishing probable cause for the arrest of Artashes DARBINYAN for, from in or about February 2015 to June 2015, in the Central District of California and elsewhere, operating a scheme and artifice to defraud using the mails, in violation of 18 U.S.C. § 1341, and committing aggravated identity theft, in violation of 18 U.S.C. § 1028A.

4. The basis of knowledge for the facts contained herein come from my review of documents, surveillance footage, discussions with other Postal Inspectors participating in this investigation, and physical surveillance. I have spoken with Postal Inspector David Frederick who is participating in this investigation. He has informed me that, based on his review of documents, surveillance, and conversations with witnesses, the facts set forth in this Affidavit are true and correct.

5. For purpose of this affidavit, I am not including every fact known to me or other Postal Inspectors with the USPIS as part of this investigation. I am including only those facts necessary to establish probable cause for arrest for violations of 18 U.S.C. §§ 1028A and 1341.

Overview of the Fraudulent Scheme

6. There is probable cause to believe that DARBINYAN has used the identity of a real individual, Iurii Berlach, to perpetrate a scheme and artifice to defraud. DARBINYAN has operated a scheme to defraud holders of United States trademarks by sending out fraudulent mass mail solicitations under the name of a company called "Trademark Compliance Office." The solicitations promise trademark holders trademark registration and monitoring services for \$385. After receiving the payments from trademark holders, DARBINYAN deposits them into a bank account, and then withdraws the funds, but provides no services. DARBINYAN has used the identity of Berlach to disguise his control of and involvement with the scheme.

The Trademark Registration Fraud

7. Thousands of holders of trademarks registered with the U.S. Patent and Trademark Office (USPTO) have received direct mailings, sent via the U.S. Postal Service (USPS), from a purported company called Trademark Compliance Office. Other Postal Inspectors and I have reviewed examples of these mailings. The mailings are formatted to look like an official invoice. They come with a return envelope. There is a bolded "Processing Fee" lettering with an amount listed, usually \$385. The mailings list the name of the holder's trademark, the date it was filed with the USPTO, and the trademark's serial number. (Such trademark information is available on a publicly accessible website maintained by the USPTO.) The return address on the mailing is usually an address in Washington, D.C., Arlington, Virginia, or Alexandria, Virginia, areas that are home to many government agencies, including the USPTO. Small text on the mailing indicates that the company is offering a registration and monitoring service: in return for payment in the amount listed on the mailing, the company will register the prospective customer's trademark with U.S. Customs and Border Protection (CBP) to

ensure that CBP will screen and block imports that infringe on the customer's trademark. The mailing also promises customers that the company will send the customer regular reports about possible infringing or confusing trademarks.

8. In course of the investigation, a Postal Inspector colleague has spoken to many individuals and businesses who sent the \$385 payment to Trademark Compliance Office. None of them has ever received a service from the company. On law enforcement databases and Internet forums, there are numerous complaints from consumers who say they have never received anything from the company even though the checks they mailed cleared the consumers' bank accounts.

9. The return addresses on the direct mailings that trademark holders have received correspond to virtual office centers located in Northern Virginia and Washington, D.C. From my training and experience, I know that these virtual office centers provide mail receiving and forwarding services for individuals and companies who open accounts with them.

10. On or about March 2, 2015, an individual using the name "Iurii Berlach" opened up two new accounts in the name of Trademark Compliance Office at virtual office centers in Washington, D.C. and Arlington, Virginia. On or about March 17, 2015, he opened an account under the same business name at a virtual office center in Alexandria, Virginia. The email address associated with these accounts is berlach777@yahoo.com. Employees from these offices have told USPIS that they were under instruction to collect letters for Trademark Compliance Office and send them via Federal Express (FedEx) to an address in Glendale, California that corresponds to a virtual office center there. In particular, on or about June 9, 2015, a FedEx package containing mail for Trademark Compliance Office was sent from a virtual office center in Arlington, Virginia to a virtual office center in Glendale, California.

11. On or about January 20, 2015, someone using the name “Iurii Berlach” also opened an account at the Glendale center under the name of Trademark Compliance Office and listed the berlach777@yahoo.com email account as a form of contact. Staff at the Glendale center has told USPIS that FedEx packages are received for Trademark Compliance Office and placed in an office that “Berlach” has rented there. On many occasions, staff have emailed “Berlach” at the berlach777@yahoo.com email address to notify him that a package has arrived for him. The staff have also said that on a semi-regular basis someone claiming to be “Berlach” comes and picks up the FedEx packages and other mail. Law enforcement officers have obtained surveillance footage of the individual who has come to pick up the packages.

12. In the course of this investigation, another Postal Inspector has reviewed the bank records for an account opened on or about February 17, 2015, at a Wells Fargo branch in Glendale, California in the name of Trademark Compliance Office. The records show that hundreds of checks—almost all made out in the amount of \$385, or some multiple thereof—were deposited into the Trademark Compliance Office bank account. The funds were quickly withdrawn in cash or through checks to another account, and were then wired to a gold wholesaling company.

13. In the course of this investigation, law enforcement officers have located the business that has coordinated mailings (*i.e.*, the direct mail solicitations) used in this scheme. It is a commercial mailing company that works with other commercial mailers to print, package, and send mass mailings. An employee of this company has handled mailings related to Trademark Compliance Office. The mailing templates s/he has provided to USPIS are the same mailings that trademark holders around the country have received. The employee has communicated with someone using the name “Erik Arzumanyan,” and agreements between the

two have been ratified by someone using the name “Iurii Berlach.” The primary means of communication the employee has had with “Arzumanyan” is a Yahoo email account, quattris_group@yahoo.com.

14. Law enforcement officers have conducted search warrants on the berlach777@yahoo.com email account. Law enforcement officers have also obtained the Internet Protocol (IP) log-in records for quattris_group@yahoo.com and berlach777@yahoo.com. IP addresses are identifiers used by Internet Service Providers (ISPs) to route traffic on the Internet. At any given time, every single device or server connected to the Internet has an IP address assigned to it. Email service providers like Yahoo record the IP address for users who access their accounts. If records show that two different email accounts at the exact same time are being accessed from the same IP address, it is highly likely that the same device or computer is accessing both accounts at the same time. The IP records from Yahoo show that on multiple days the same IP address is accessing both the berlach777@yahoo.com email account and quattris_group@yahoo.com at approximately the same time. Thus, it is highly likely that the same individual controls both accounts. Accordingly, there is probable cause to believe that “Berlach” and “Arzumanyan” are the same person.

The Misuse of Iurii Berlach’s Identity

15. The account applications for the virtual office centers in Virginia in the name of Trademark Compliance Office contain a driver’s license for Iurii Berlach. The number on the driver’s license, as verified by checking California Department of Motor Vehicle records, is invalid. The same date of birth, name, and driver’s license number were used on the Wells Fargo bank account opened in the name of Trademark Compliance Office.

16. One of the virtual office applications also contains an expired United States visa belonging to Iurii Berlach, a Ukrainian citizen who came to the US in the summer of 2008 as part of an exchange visa program. Department of Homeland Security records show that Berlach left the United States on September 8, 2008. The date of birth on the visa matches that on the fake California driver's license. But the photo on the driver's license does not match the photo on the true visa as verified by Department of State records. Accordingly, there is probable cause to believe that Berlach is a real person, whose identity is being used in furtherance of the mail fraud scheme.

DARBINYAN's Role in the Fraudulent Scheme

17. On or about May 13, 2015, a staff member at a virtual office center in Arlington, Virginia, where Trademark Compliance Office has an account, spoke with an individual who identified himself as "Berlach" on the phone. The staff member called a phone number that "Berlach" had given the staff member via the berlach777@yahoo.com email account. The staff member had emailed "Berlach" informing him of the company's intent to terminate his account due to complaints the company had received from customers concerning Trademark Compliance Office.

18. On or about May 26, 2015, the staff member spoke with the same individual identifying himself as "Berlach" via a particular cellular telephone number ("Subject Cellphone #1"), which "Berlach" had given the staff member. With the staff member's consent, a Postal Inspector listened to and recorded the call. During the call, the staff member said that the virtual office center would keep Trademark Compliance Office's account open as long as they did not receive any more complaints, and that they would continue sending FedEx packages.

19. As confirmed by records from AT&T, the listed subscriber for Subject Cellphone #1 is Locus Communications, which provides a prepaid telephone service under the brand name H₂O Wireless. From my training and experience, I know that prepaid telephone services can be purchased with cash at various retail locations without any requirement that an ID be provided or recorded. Neither Locus nor AT&T keeps a record of who actually uses the phone. The call logs for Subject Cellphone #1 show that it has been used on multiple occasions over a two-month period to call phone numbers associated with providers of services that are currently being (or have recently been) used in furtherance of the scheme: the virtual office center in Arlington, Virginia; the virtual office center in Glendale, California; the Wells Fargo branch in Glendale, California, where the scheme's proceeds were deposited. Phone records from AT&T showed that the phone ceased being used shortly after the consensual call. On or about July 10, 2015, law enforcement officers obtained a geolocation warrant for Subject Cellphone #1 to identify its user, but the line was no longer in use by then.

20. On or about September 4, 2015, "Berlach" called a staff member at the virtual office center in Alexandria, Virginia, where Trademark Compliance Office has an account, from a different cellular telephone number ("Subject Cellphone #2"). As confirmed by records from AT&T, the listed subscriber for Subject Cellphone #2 (like that for Subject Cellphone #1) is Locus Communications. Subject Cellphone #2 activated as a Locus line on or about July 20, 2015. The call logs for Subject Cellphone #2 show that it was used in early September 2015 to call the same facilities used in furtherance of the scheme as were called from Subject Cellphone #1: the virtual office centers in Alexandria and Glendale and the Wells Fargo branch in Glendale.

21. On or about September 14, 2015, a United States Magistrate Judge in the Eastern District of Virginia issued a geolocation information warrant for Subject Cellphone #2. USPIS

surveillance teams, using geolocation information, identified the user of Subject Cellphone #2 as driving a white Porsche with California license plate number ***K406.

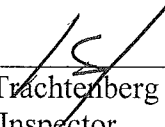
22. On or about September 15, 2015, a Postal Inspector recorded a consensual call between “Berlach” and a staff member at the Alexandria, Virginia virtual office center. While the controlled call was being performed, another Postal Inspector observed a white Porsche with a man inside pulled off to the side of the road within the immediate vicinity of the geolocation coordinates being provided by AT&T. The voice of “Berlach” on the September 15, 2015 consensual call sounds identical to the voice of “Berlach” on the May 26, 2015 consensual call.

23. On or about September 17, 2015, an officer with the Glendale, California police department performed a traffic stop on the white Porsche with California license plate ***K406 for having tinted windows. The individual driving the car presented a valid California driver’s license identifying himself as Artashes DARBINYAN. Postal Inspectors operating undercover observed the traffic stop. Contemporaneous geolocation information from AT&T, which was being monitored by Postal Inspectors, showed Subject Cellphone #2’s location as being consistent with the location of the white Porsche. While DARBINYAN was being detained as part of the traffic stop, a Postal Inspector, using a blocked number, dialed Subject Cellphone #2, and the Glendale police officer performing the stop simultaneously heard a phone ring in the car.

24. Moreover, based on another Postal Inspectors review of surveillance footage from the Glendale, California virtual officer center, DARBINYAN appears to be the person who picks up the FedEx packages containing proceeds of the mail fraud scheme.

25. Accordingly, there is probable cause to believe that DARBINYAN is the actual user of Subject Cellphone #2, and consequently is the individual who uses the Berlach identity to perpetrate the mass mailing scheme described herein.

26. The above facts establish probable cause that, from in or about February 2015 to in about June 2015, in the Central District of California and elsewhere, Artashes DARBINYAN has operated a scheme or artifice to defraud using the United States mails, in violation of 18 U.S.C. § 1341, and used the identity of a real individual in furtherance of the scheme, in violation of 18 U.S.C. § 1028A.



Mark Trachtenberg
Postal Inspector
United States Postal Inspection Service

Subscribed to and Sworn before me
This 18 day of September, 2015

 JOHN E. McDERMOTT

HONORABLE JOHN McDERMOTT
UNITED STATES MAGISTRATE JUDGE